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**Metal One Corporation and Subsidiaries**  
**Financial Results for the Year Ended December 2006**  
Fourth Term  
(January 1, 2006 to December 31, 2006)

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March 22, 2007

3-23-1 Shiba, Minato-ku, Tokyo

**Metal One Corporation**

## Consolidated Balance Sheet

(In ¥ million)

Assets				Liabilities and Net Assets			
Item	Previous fiscal year (December 31, 2005)	Current fiscal year (December 31, 2006)	Change (amount)	Item	Previous fiscal year (December 31, 2005)	Current fiscal year (December 31, 2006)	Change (amount)
<b>Current assets</b>	919117	939630	20513	<b>Current liabilities</b>	811,259	796,646	-14,613
Cash and deposits	30,548	37,267	6,719	Notes and accounts payable	422,927	447,157	24,230
Notes and accounts receivable	714,787	731,543	16,756	Short-term loans	343,185	303,707	-39,478
Inventories	151,891	152,860	969	Other accounts payable	16,213	10,549	-5,664
Advance payments	3,011	2,750	-261	Accrued expenses	4,437	4,831	394
Short-term loans	1,388	1,039	-349	Income taxes payable	12,101	14,531	2,430
Other accounts receivable	12,550	9,951	-2,599	Advances receipts	2,609	2,473	-136
Deferred tax assets	5,701	5,087	-614	Other	9,787	13,398	3,611
Other current assets	6,258	6,079	-179				
Allowance for doubtful receivables	-7,017	-6,946	71				
<b>Fixed assets</b>	261,290	288,792	27,502	<b>Long-term liabilities</b>	97,345	113,581	16,236
Tangible assets	92,985	94,722	1,737	Long-term loans	58,430	67,328	8,898
Intangible assets	10,837	9,621	-1,216	Deferred tax liabilities	33,796	41,369	7,573
Goodwill	628	235	-393	Reserve for retirement allowance	2,389	2,160	-229
Other intangible fixed assets	10,209	9,386	-823	Other	2,730	2,724	-6
Investments and other assets	157,468	184,449	26,981				
Investments	149,058	176,700	27,642	<b>Total liabilities</b>	908,604	910,227	1,623
Long-term loans	2,454	689	-1,765	<b>Minority interests</b>	24,884	-	-24,884
Long-term receivables	1,766	1,029	-737				
Deferred income taxes	1,214	1,375	161	Common stock	100,000	-	-100,000
Other	8,443	6,140	-2,303	Capital surplus	50,000	-	-50,000
Allowance for doubtful receivables	-5,467	-1,484	3,983	Retained earnings	55,226	-	-55,226
				Net unrealized gains on securities	40,251	-	-40,251
				Foreign currency translation adjustments	1,442	-	-1,442
				<b>Total shareholders' equity</b>	246,919	-	-246,919
				<b>Total liabilities, minority interests and shareholders' equity</b>	1,180,407	-	-1,180,407
				<b>Shareholders' equity</b>	-	233,594	233,594
				Common stock	-	100,000	100,000
				Capital surplus	-	50,000	50,000
				Retained earnings	-	83,594	83,594
				Valuation and translation adjustments	-	56,578	56,578
				Net unrealized gains on securities	-	51,832	51,832
				Foreign currency translation adjustments	-	4,746	4,746
				<b>Minority interests</b>	-	28,023	28,023
				<b>Total net assets</b>	-	318,195	318,195
<b>Total assets</b>	1,180,407	1,228,422	48,015	<b>Total liabilities and net assets</b>	-	1,228,422	1,228,422

Statement of Consolidated Income

(In ¥ million)

Item	Previous fiscal year January 1, 2005 to December 31, 2005	Current fiscal year January 1, 2006 to December 31, 2006	Year-on-year	
			Change (amount)	Change (percentage)
Sales	2,576,636	2,746,667	170,031	6.6%
Cost of sales	-2,447,795	-2,600,473	-152,678	6.2%
Gross profit	128,841	146,194	17,353	13.5%
(Gross profit ratio)	(5.0%)	(5.3%)		
Selling, general and administrative expenses	-79,314	-84,194	-4,880	6.2%
Operating income	49,527	62,000	12,473	25.2%
Non-operating income	10,760	11,262	502	4.7%
(Interest income)	( 720)	( 835)	115	16.0%
(Dividends income)	( 1,850)	( 2,067)	217	11.7%
(Equity in earnings of affiliates)	( 5,023)	( 4,933)	-90	-1.8%
(Other non-operating income)	( 3,167)	( 3,427)	260	8.2%
Non-operating expenses	-7,047	-9,588	-2,541	36.1%
(Interest expense)	( -4,277)	( -5,569)	-1,292	30.2%
(Other non-operating expenses)	( -2,770)	( -4,019)	-1,249	45.1%
Ordinary income	53,240	63,674	10,434	19.6%
Extraordinary gain	9,004	7,242	-1,762	-19.6%
Extraordinary loss	-4,313	-2,398	1,915	-44.4%
Income before income taxes	57,931	68,518	10,587	18.3%
Income taxes:				
Current	-19,245	-24,261	-5,016	26.1%
Deferred	-1,188	-357	831	-69.9%
Minority interests	-4,599	-4,032	567	-12.3%
Net income	32,899	39,868	6,969	21.2%

Balance Sheet

(In ¥ million)

Assets				Liabilities and Shareholders' Equity			
Item	Previous fiscal year (December 31, 2005)	Current fiscal year (December 31, 2006)	Change (amount)	Item	Previous fiscal year (December 31, 2005)	Current fiscal year (December 31, 2006)	Change (amount)
<b>Current asset</b>	479,989	478,236	-1,753	<b>Current liabilities</b>	410,598	392,450	-18,148
Cash and deposits	1,597	5,739	4,142	Notes payable	33,784	30,090	-3,694
Notes receivable	84,047	60,702	-23,345	Accounts payable	204,628	218,373	13,745
Accounts receivable	354,723	382,390	27,667	Short-term loans	147,490	124,368	-23,122
Inventories	26,401	20,039	-6,362	Other accounts payable	9,723	7,167	-2,556
Other accounts receivable	2,588	2,738	150	Income taxes payable	2,330	5,944	3,614
Short-term loans	10,254	4,651	-5,603	Advance receipts	526	172	-354
Deferred tax assets	2,140	887	-1,253	Other current liabilities	12,117	6,334	-5,783
Other	8,900	7,819	-1,081	<b>Fixed liabilities</b>	69,954	87,268	17,314
Allowance for doubtful receivables	-10,661	-6,733	3,928	Long-term loans payable	46,504	55,139	8,635
<b>Fixed assets</b>	200,749	222,624	21,875	Deferred tax liabilities	23,450	32,129	8,679
<b>Tangible assets</b>	2,335	3,047	712	<b>Total liabilities</b>	480,552	479,719	-833
<b>Intangible assets</b>	6,673	5,595	-1,078	<b>Common stock</b>	100,000	-	-100,000
<b>Investments and other assets</b>	191,741	213,981	22,240	<b>Capital surplus</b>	50,000	-	-50,000
Investment securities	125,199	130,314	5,115	<b>Retained earnings</b>	12,286	-	-12,286
Equity in subsidiaries	58,914	-	-58,914	<b>Net unrealized gains on securities</b>	37,900	-	-37,900
Equity in affiliated companies	-	69,033	69,033	<b>Total shareholders' equity</b>	200,186	-	-200,186
Investments in affiliated companies	-	10,377	10,377	<b>Total liabilities and shareholders' equity</b>	680,738	-	-680,738
Long-term loans	2,953	1,687	-1,266	<b>Shareholders' equity</b>	-	172,008	172,008
Long-term receivables	6,532	6,320	-212	Common stock	-	100,000	100,000
Other	4,291	2,235	-2,056	Capital surplus	-	50,000	50,000
Allowance for doubtful receivables	-6,148	-5,987	161	Retained earnings	-	22,008	22,008
				<b>Valuation and translation adjustments</b>			
				Net unrealized gains on securities	-	49,132	49,132
				<b>Total net assets</b>	-	221,141	221,141
<b>Total assets</b>	680,738	700,860	20,122	<b>Total liabilities and net assets</b>	-	700,860	700,860

Statement of Income

(In ¥ million)

Item	Previous fiscal year January 1, 2005 to December 31, 2005	Current fiscal year January 1, 2006 to December 31, 2006	Year-on-year	
			Change (amount)	Change (percentage)
Sales	1,537,260	1,577,902	40,642	2.6%
Cost of sales	-1,499,856	-1,531,736	-31,880	2.1%
Gross profit	37,404	46,166	8,762	23.4%
(Gross profit ratio)	(2.4%)	(2.9%)		
Selling, general and administrative expenses	-23,130	-24,865	-1,735	7.5%
Operating income	14,274	21,301	7,027	49.2%
Non-operating income	6,552	10,504	3,952	60.3%
(Interest income)	( 668)	( 462)	-206	-30.8%
(Dividends income)	( 5,685)	( 9,764)	4,079	71.8%
(Other non-operating income)	( 199)	( 278)	79	39.7%
Non-operating expenses	-2,516	-3,439	-923	36.7%
(Interest expense)	( -808)	( -825)	-17	2.1%
(Other non-operating expenses)	( -1,708)	( -2,614)	-906	53.0%
Ordinary income	18,310	28,366	10,056	54.9%
Extraordinary gain	4,417	3,980	-437	-9.9%
Extraordinary loss	-5,129	-848	4,281	-83.5%
Income before income taxes	17,598	31,497	13,899	79.0%
Income taxes:				
Current	-4,856	-8,150	-3,294	67.8%
Deferred	-945	-2,125	-1,180	124.9%
Net income	11,797	21,221	9,424	79.9%